

February 23, 2007

Chief, Policy and Compliance Division

Transmittal # 103 CHAMPVA Policy Manual

See Transmittal Distribution List

**PUBLICATIONS AND TRANSMITTAL CHANGE
FOR THE CHAMPVA PM (POLICY MANUAL)**

Explanation of the changes and related index updates to the CHAMPVA PM are in the following summary.

Transmittal changes may include removal of supplemental language previously noted in the body of the policy or the transmittal memorandum.

Chapter 3, Section 1.1, CLAIMS PROCESSING – GENERAL.

- Under Definitions adds clean claim.
- Under Policy adds clarification of national standard electronic billing submission formats.

Chapter 3, Section 3.1, CATASTROPHIC CAP.

- Under Policy Considerations clarifies OHI (Other Health Insurance) and catastrophic cap loss protection and that the deductible and cost share will be applied to the annual catastrophic cap only when the beneficiary has actual out-of-pocket expense.

Chapter 3, Section 5.1, OUTPATIENT AND INPATIENT PROFESSIONAL PROVIDER REIMBURSEMENT.

- Under Effective Dates adds February 1, 2007, as the date CHAMPVA implemented CMAC rates for anesthesia professionals.
- Under Policy adds anesthesiologist to Class I (Provider Classification); adds clarification of CMAC payments based on site of service and the provider classification categories.

Chapter 3, Section 6.2, HOSPITAL REIMBURSEMENT-CHAMPVA DRG-BASED PAYMENT SYSTEM

- Under Effective Dates adds February 14, 2007, as the date CHAMPVA will utilize IDME (indirect medical education) factors from TRICARE's Provider's Specific File to calculate reimbursements.

- Under Policy Considerations updates data related to assignment of appropriate DRG to inpatient claims and adds IDME adjustment criteria.

Chapter 3, Section 8.1, MENTAL HEALTH PER DIEM.

- Under Effective Date adds February 14, 2007, as the date CHAMPVA will use TRICARE's Provider Specific File IDME (Indirect Medical Education) factors to calculate reimbursements.
- Under Policy adds IDME (indirect medical education) adjustment criteria.

Chapter 3, Section 10.1, ANESTHESIA.

- Under Effective Date adds February 1, 2007, as the date CMAC rates were implemented for anesthesia professional services.
- Under Policy adds clarification that CHAMPVA will use CMAC rates for payment of anesthesia professional services.

Code Index. Amends index to add and delete codes referenced in this transmittal.

Lisa Brown
Chief, Policy and Compliance

DISTRIBUTION

CSC	10	CPD	10
BPO	1	SSD (Eligibility)	3
CIO	2	PC	12
TNG	1	AD (Operations)	1